



STATE OF NORTH DAKOTA  
**OFFICE OF STATE TAX COMMISSIONER**  
RYAN RAUSCHENBERGER, COMMISSIONER

**ANNUAL OIL TRIGGER PRICE ADJUSTMENT**

**TO:** North Dakota Oil Producers and Purchasers  
**FROM:** Office of State Tax Commissioner  
**SUBJECT:** Notification of Oil Trigger Price Adjustment for Calendar Year 2015  
**DATE:** December 18, 2014

In keeping with the provisions of North Dakota Century Code (N.D.C.C.) § 57-51.1-01, the Tax Commissioner has determined that the oil trigger price for the calendar year January 1, 2015, through December 31, 2015, is \$52.59.

For your information, the following steps determined the trigger price for calendar year 2015:

STEP 1 - The annual average of the industrial commodities producer price index, commodity code 03 thru 15, as published by the U.S. Department of Labor, Bureau of Labor Statistics, for fiscal year 2014 was computed from the data shown below.

July	2013	203.6
August	2013	204.1
September	2013	203.9
October	2013	202.5
November	2013	201.1
December	2013	202.0
January	2014	203.8
February	2014	205.8
March	2014	206.2
April	2014	206.7
May	2014	206.5
June	2014	<u>207.0</u>
Annual Average		204.43

STEP 2 - A base rate adjustment of 1.48138 was computed by dividing the 2014 fiscal year average price index of 204.43 by the base rate index of 138.0, which was determined using the 2001 fiscal year average (i.e.,  $204.43 / 138.0 = 1.48138$ ).

STEP 3 - The effective trigger price of \$52.59 for calendar year 2015 was computed by multiplying 35.50 times the base rate adjustment of 1.48138 (i.e.,  $\$35.50 \times 1.48138 = \$52.59$ ).

In accordance with N.D.C.C. § 57-51.1, if the average price of a barrel of crude oil (i.e., monthly average daily closing price for a barrel of west Texas intermediate Cushing crude oil minus two dollars and fifty cents) exceeds the trigger price for each month in any consecutive five-month period, certain exemptions and rate reductions become ineffective. The exemptions and rate reductions are subsequently reinstated if the average price is less than the trigger price for each month in any consecutive five-month period.

The trigger price adjustment is published on the Office of State Tax Commissioner's website located at: [www.nd.gov/tax](http://www.nd.gov/tax). If you have any questions regarding this notification, please contact the Oil and Gas Tax Section at 701-328-3657 or by email at [oiltax@nd.gov](mailto:oiltax@nd.gov).

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